

## City of Bristol Retirement System

### Highlights of the July 1, 2021 Valuation

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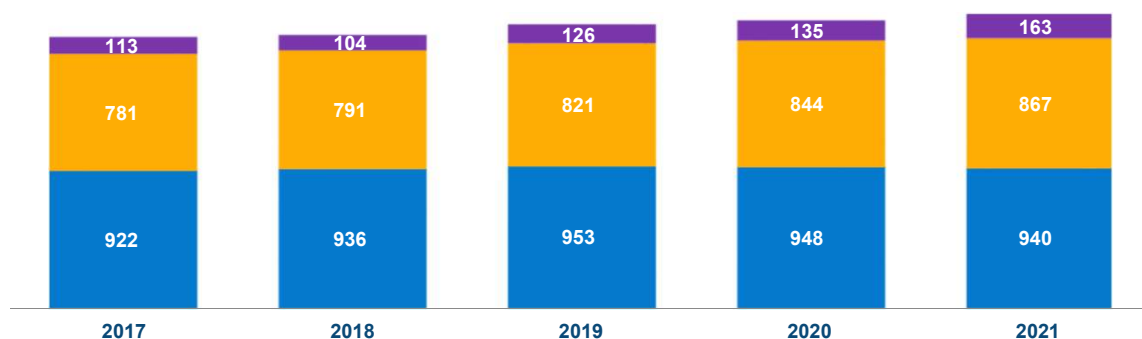
#### Membership

##### Member Count

###### Terminated Members

###### Members in Pay Status

###### Active Members



##### Active Members on July 1, 2021

City	737	Average Age	47.4
Fire	86	Average Service	11.5
Police	<u>117</u>	Total Payroll	\$56,287,287
Total Count	940	Average Payroll	59,880

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25	10							10
25-29	59	5						64
30-34	47	50	5					102
35-39	34	25	27	5				91
40-44	34	26	14	27	4			105
45-49	27	16	25	22	5	4		99
50-54	27	21	25	28	29	7	12	149
55-59	26	24	25	30	34	12	14	165
60-64	13	16	15	34	23	6	10	117
65+	3	9	14	5	4		3	38
Total	280	192	150	151	99	29	39	940

##### Members in Pay Status on July 1, 2021

	Service Retirees	Disabled Retirees	Beneficiaries
Count	772	21	74
Average Age	71.7	67.2	78.0
Total Annual Benefit	\$26,808,010	\$610,304	\$1,522,113
Average Annual Benefit	34,725	29,062	20,569

# City of Bristol Retirement System

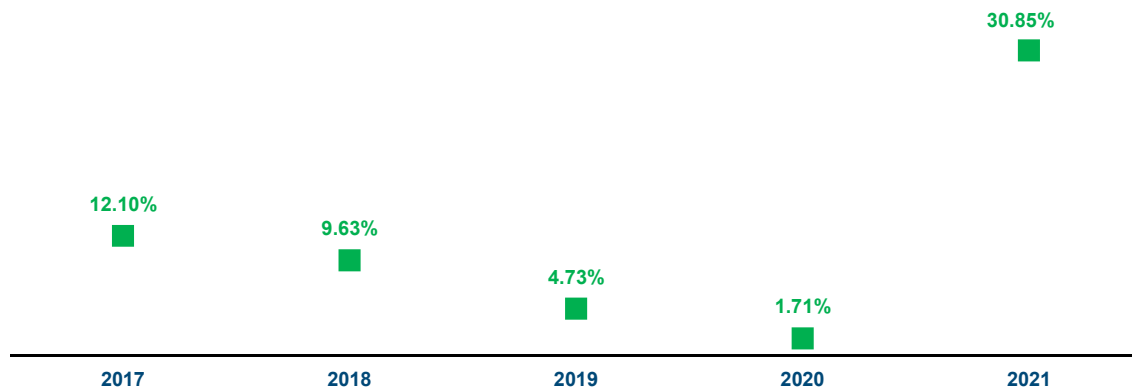
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### Assets

2020-21 saw a year of exceptional market performance after two years of modest investment returns, with a rate of return of 30.85% on a Market Value basis. The chart below illustrates the ups and downs in the plan's investment returns.

### Returns

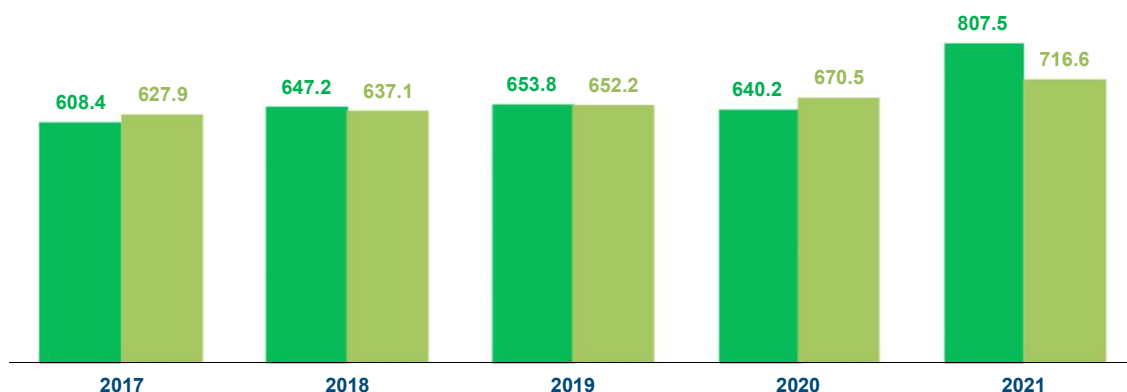


In order to dampen the volatility of the market and prevent large swings in the City's contribution, we smooth investment gains or losses over four years. The resulting Actuarial Value of Assets is shown alongside the Market Value of Assets in the chart below.

### Balances (\$ millions)

Market value

Actuarial value



# City of Bristol Retirement System

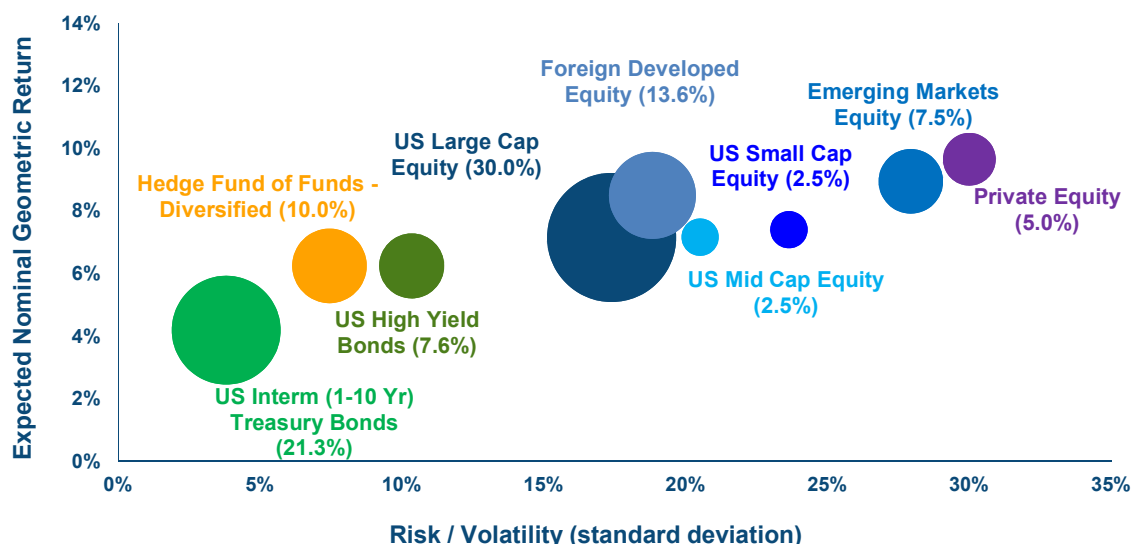
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### Interest Rate Assumption

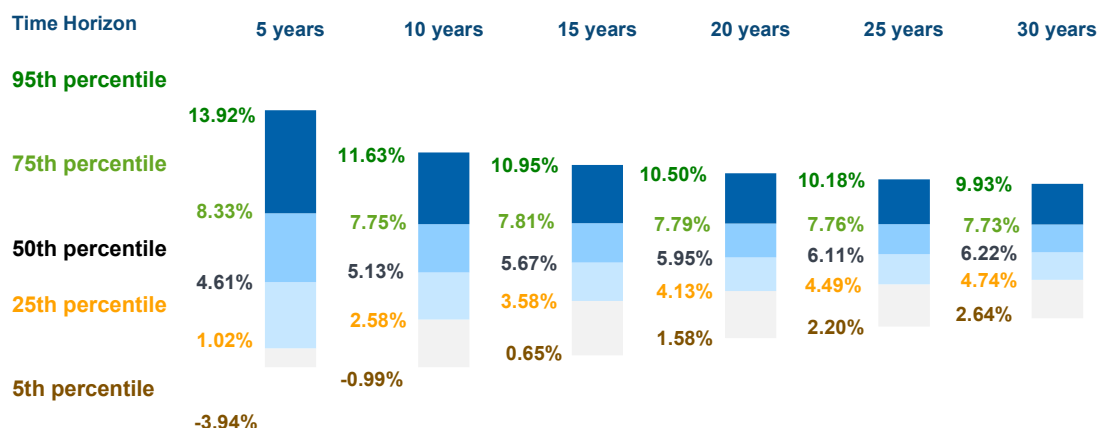
The interest rate assumption is based on the expected long-term return of the plan's investments. Using Milliman's June 30, 2021 Capital Market Assumptions, the target asset allocation has the following risk / return dimensions:

### Asset Allocation



In any given year, the plan's investment return can range from very high to very low. As we look at longer and longer periods, the high and low years balance out and the annualized return should converge to the 50th percentile, or median. Using Milliman's June 30, 2021 Capital Market Assumptions, the expected long-term annualized median return of the portfolio, without reflecting a margin for manager alpha, is 6.2%.

### Distribution of Expected Nominal Returns Over Time Without Margin for Manager Alpha



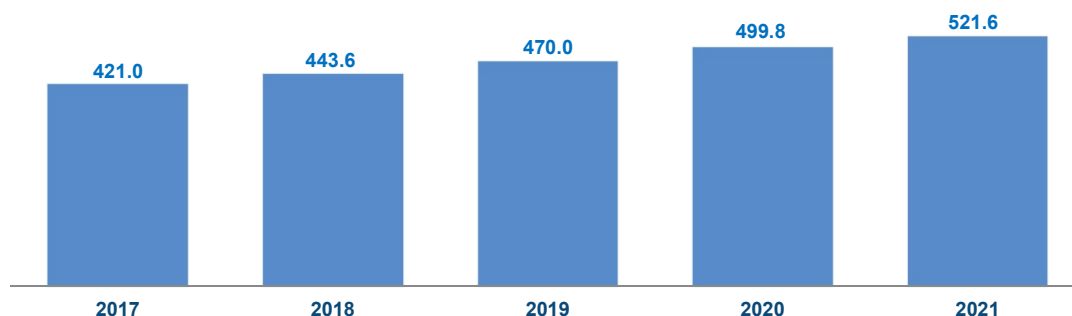
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## Funded Status

The Accrued Liability grows over time as active members earn additional benefits, and goes down over time as retired members receive benefits. The Unfunded Accrued Liability is the dollar difference between the Accrued Liability and the Actuarial Value of Assets; the Funded Ratio is the ratio of the two.

### Accrued Liability (\$ millions)

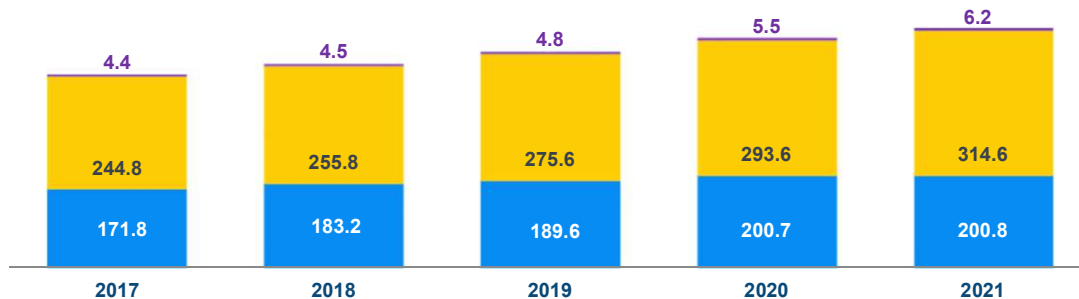


### Accrued Liability By Member Group

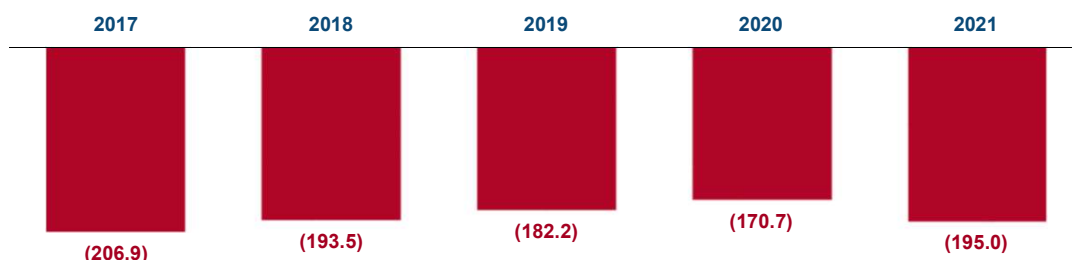
#### Terminated Members

#### Members in Pay Status

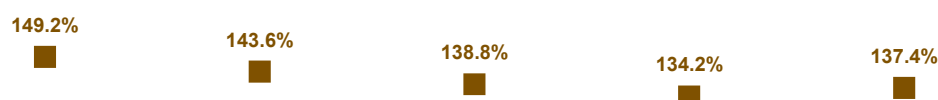
#### Active Members



### Unfunded Accrued Liability (\$ millions)



### Funded Ratio

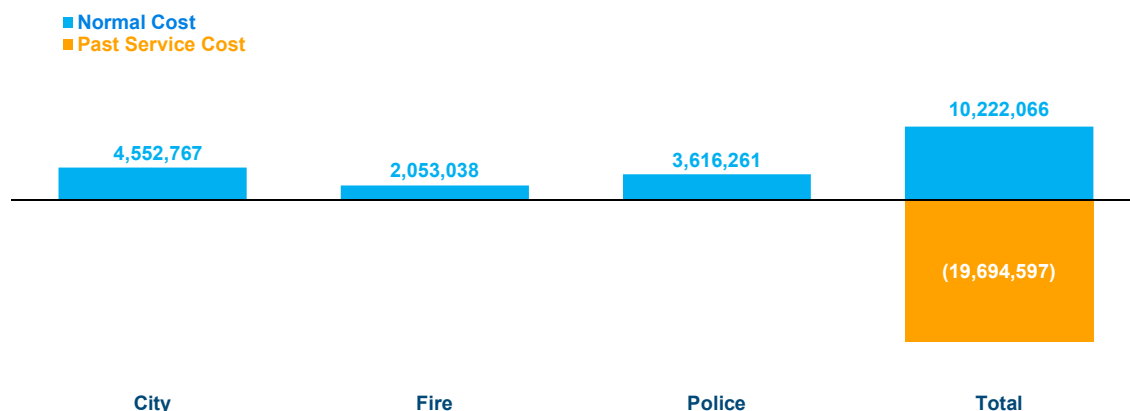


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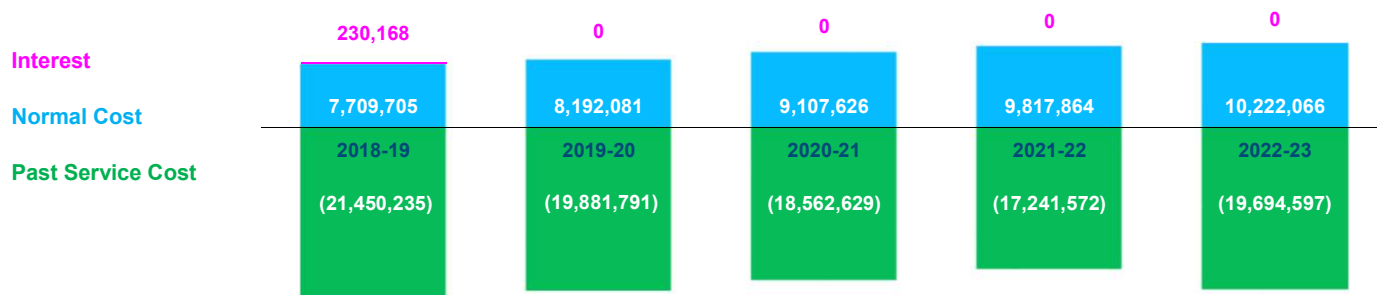
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### Actuarially Determined Contribution

Each valuation determines the Actuarially Determined Contribution for the fiscal year starting one year later; that is, the July 1, 2021 valuation determines the Actuarially Determined Contribution for FY 2022-23. The Actuarially Determined Contribution consists of two pieces: Normal Cost plus a Past Service Cost payment to gradually eliminate the Unfunded Accrued Liability plus Interest to reflect the timing of the contribution relative to the valuation date.



Note that the Normal Cost is relatively consistent from year to year, whereas the Past Service Cost tends to be more volatile since it reflects the impact of asset performance.



# Impact of Proposed Changes Based on July 1, 2021 Valuation

	2020 Valuation Results	2021 Preliminary Results	Proposed Turnover, Retirement, Asset Method	Proposed Salary Scale, Escalator, Compensated Absences	Proposed Mortality	Interest Rate 6.75%	Interest Rate 6.50%
Turnover	Current	Current	Proposed	Proposed	Proposed	Proposed	Proposed
Retirement	Current	Current	Proposed	Proposed	Proposed	Proposed	Proposed
Asset Valuation Method	Current	Current	Proposed	Proposed	Proposed	Proposed	Proposed
Salary Scale	Current	Current	Current	Proposed	Proposed	Proposed	Proposed
Escalator	Current	Current	Current	Proposed	Proposed	Proposed	Proposed
Compensated Absences Load	Current	Current	Current	Proposed	Proposed	Proposed	Proposed
Mortality	Current	Current	Current	Current	Proposed	Proposed	Proposed
Interest Rate	Current	Current	Current	Current	Current	Proposed	Proposed
Interest Rate	7.00%	7.00%	7.00%	7.00%	7.00%	6.75%	6.50%
Accrued Liability	\$499,837,872	\$521,591,781	\$516,210,199	\$515,314,727	\$522,012,767	\$536,876,002	\$552,445,763
Market Value of Assets	640,210,473	807,524,800	807,524,800	807,524,800	807,524,800	807,524,800	807,524,800
Actuarial Value of Assets	670,545,781	716,586,956	712,136,845	712,136,845	712,136,845	712,136,845	712,136,845
Funded Ratio	134.2%	137.4%	138.0%	138.2%	136.4%	132.6%	128.9%
Net Normal Cost with Interest	9,817,864	10,222,066	10,133,769	9,988,092	10,095,706	10,831,404	11,616,862
Actuarially Determined Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0